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C O N F I D E N T I A L SECTION 01 OF 04 BEIRUT 000108

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NSA FOR ABRAMS/DORAN/MARCHESE/HARDING

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TAGS: <u>PGOV PREL PTER EAID SY LE IS</u> SUBJECT: LEBANON: PM SINIORA EXPECTS STRIKE ACTIVITY;

NASRALLAH NOT READY TO DEAL

Classified By: Ambassador Jeffrey D. Feltman. Reason: Section 1.4 (b).

SUMMARY

- 11. (C) Prime Minister Siniora interpreted Friday night's televised interview by Hizballah's Hassan Nasrallah as a clear indication that the anti-government March 8th coalition is not yet ready to negotiate a resolution to the current impasse. Siniora believes the disappointing turnouts of the recent "phase II" demonstrations by the opposition -- partly self-induced because Nasrallah was reportedly deeply concerned about being blamed for increasing Sunni-Shia tensions -- has left the March 8th opposition in a position where they need a show of strength to shore up their support and establish a better bargaining position. Siniora also viewed Nasrallah's direct call for early parliamentary elections (something that Nabih Berri opposes) as an effort to keep Michel Aoun tightly in March 8th's fold. Concerning Aoun, with whom the Prime Minister maintains an intermittent channel of communication, Siniora agreed with the Ambassador that a flurry of recent entreaties from the Aoun camp may indicate the former general is ready to deal, but Siniora's chief advisor, Mohamed Chatah, cautioned it is extremely difficult to ever really know what Aoun wants. A seemingly confident Siniora viewed his recent swing through the Gulf states as fairly successful, but was mystified by the mixed signals given by Kuwait, which is traditionally a strong supporter of Lebanon. He is cautiously optimistic regarding next week's Paris III Conference and has been using the strong support of the U.S. as a prod to encourage greater contributions from the Arab world. Siniora asked for additional U.S. help in security contributions from Kuwait, Qatar, Canada, Japan, Germany, and the UK. Lastly, Siniora indicated he is trying to find a politically acceptable way to improve the still critical border issue, while Chatah pointedly asked if the U.S. possesses firm evidence of cross border arms smuggling. The Ambassador urged Siniora to be prepared to discuss this issue seriously with the Secretary on the margins of Paris III. End summary.
- 12. (C) Prime Minster Fouad Siniora and his senior advisors Mohamed Chatah and Rola Noureddine met with the Ambassador and Special Assistant on January 20 at the Grand Serail. Since it was the Islamic New Year (an official holiday in Lebanon) and the first day of the ceremonies leading up to Ashura, many of the various offices in the Serail were empty, but Minister of Trade and Economy Sami Haddad and his team were in residence working on Paris III preparations. PM Siniora expressed confidence that preparations were well in hand and said that he and his staff would be leaving for Paris on Tuesday, January 23.

- $\underline{\P}3$. (C) Referring to the 10/19 extended interview by Hassan Nasrallah on Hizballah-controlled station Al Manar, PM Siniora said he's certain that Nasrallah realizes his organization's position has slipped in recent weeks. Siniora believed this was the reason that the positions put forth Nasrallah were harsh and unyielding, specifically his renewed call for resignation of the government, accusation that the Siniora cabinet wanted to change the demographic balance of south Lebanon, demand for new parliamentary elections, and a call for a general strike in the coming week. These were not demands that someone hoping for a solution would make. Siniora indicated he had expected this because the desultory results of recent street protests had cast the senior partner of the March 8th coalition in an unflattering light. Granted, Siniora acknowledged, the less-than-expected turnouts and the gradually diminishing presence of anti-government protesters in Riad Solh Square were most likely the result of a conscious decision by Nasrallah to counter growing criticism in the Arab world that he was needlessly stirring up Shia-Sunni tensions. Nevertheless, it had created the image of a faltering movement.
- 14. (C) Therefore, reasoned the Prime Minister, Hizballah's Secretary General was left with little choice but to come out

SIPDIS

swinging and try to re-establish his previously formidable image. Concerning Hizballah's threat to call a general strike just as Paris III convenes, PM Siniora said strikes would probably occur and have some impact, but he did not believe they would be the crippling events that some feared.

BEIRUT 00000108 002 OF 004

As for Nasrallah's call for his resignation and early parliamentary elections, Siniora said "they've been calling for these for more than fifty days now" and indicated the intimidation factor of such demands has accordingly diminished.

- 15. (C) Siniora's advisor, Mohamed Chatah suggested that Nasrallah's hard-line tone in the interview, particularly his "incredible" conspiracy charge that the Siniora government was somehow trying to change the demographic composition of south Lebanon to favor the Sunni community, indicates that he is "being fed" a toxic blend of bad intelligence and baseless conspiracies. Notwithstanding of Nasrallah's reputation for disciplined analysis, Chatah contends that Hizballah's leader is currently poorly informed and, as a result, making a number of uncharacteristic tactical errors.
- 16. (C) Both PM Siniora and Chatah displayed an interesting confidence that their hand has been considerably strengthened and that sooner or later, Hizballah would be ready to negotiate a resolution to the political stalemate. But that time has not yet come. (The March 8-Aoun call for general strikes on Tuesday was made just as the Ambassador's meeting with Siniora was coming to a close.)

THE PECULIAR POSITION OF AOUN

17. (C) Concerning Nasrallah's call for new parliamentary elections, Siniora believed it was likely a fairly straight-forward move to keep the always unpredictable Michel Aoun close by his side. Aoun, who rarely misses an opportunity to explain why he is the perfect solution to Lebanon's problems, realizes the current parliament will never grant him his presidential ambition. And it was this ever-present Aounist anxiety that Siniora believes Nasrallah addressed in last night's statements. (Comment: Nasrallah's other ally, Nabih Berri, has long made his opposition to

early parliamentary elections clear. Nasrallah's support for the Aoun position thus reinforces our conviction that Berri is the junior partner and more fully under the Syrian thumb: while giving something to Aoun to keep him on board, Nasrallah can ignore Berri's desires with impunity. End comment.)

- ¶8. (C) Continuing on the subject of Michel Aoun, Mohamed Chatah acknowledged that he meets irregularly with senior Aounist MP Ibrahim Kanaan and met once with the former general recently to go over Paris III plans. Although these contacts are maintained principally to keep open some channel of communication with the still-powerful Christian leader, Chatah agreed with the Ambassador that something is brewing in the Aounist camp. Siniora listened carefully as the Ambassador described his belief that perhaps a split was developing, or could be encouraged, in the Free Patriotic Movement between hard-liners and those advisors who may be looking for a graceful way out of the increasingly problematic alliance with Hizballah.
- 19. (C) Mohamed Chatah noted that in recent conversations and some public statements, Aounists have even stopped using the terms "we/us" when referring to Hizballah and have tried to differentiate themselves from their March 8th allies. Interestingly, he said that with regard to Paris III, Aounist statements have been relatively supportive of the proposed economic reforms, although they continue to rail against the "exclusionary" manner in which they were developed. Chatah also remarked that in his last meeting, he was surprised by their heavy criticism of Walid Jumblatt, while giving Saad Hariri (who is usually the favorite target) a free pass, although he conceded this could have been merely a superficial courtesy to their guest (a Sunni Muslim close to Hariri).
- 110. (C) Of more substance, Chatah recalled that at some point in earlier discussions it was proposed that the Aounists could be offered a number of seats in the Council of Ministers, but at the time, the then confident Aounists were holding out for something more. Although Chatah said it was always difficult to determine with certainty if the advisors who send out feelers truly represent Michel Aoun's positions, he said that it might be worthwhile to test the waters once again. Siniora, uncharacteristically standing behind (and occasionally rocking) his gilded chair in thought, nodded to his senior advisor and indicated (admittedly without much enthusiasm) that Chatah should reach out once more to MP

BEIRUT 00000108 003 OF 004

Kanaan in advance of the expected escalation on Monday or Tuesday.

SINIORA UNDERSTANDS THE BORDER DILEMMA

- 111. (C) PM Siniora generally agreed with the Ambassador that the situation on the Syrian-Lebanese border is far from satisfactory. The Prime Minister gave little reaction, but did not object, to the Ambassador's statement that arms transfers continue to take place, particularly to Hizballah depots in the Biqa Valley, while Chatah quickly asked whether the U.S. has clear evidence of such movements.
- 112. (C) Siniora did admit he understands improvements on border security are required, but reminded the Ambassador to consider the political ramifications on actions that would impinge on Lebanon's sovereignty and that could provoke a bad Syrian reaction that would in itself hurt Lebanon (e.g., by closing off Lebanon's export routes). Siniora reiterated his earlier approval of a pilot border program that is presently being drawn up by border security experts of the German government. (Note: Embassy Beirut met on January 19 with the Federal German Police officer-in-charge of the program. He stated that the northern border area involved extends from the coast near the Aarida crossing to El Boustane and the

program would both equip and train members of LAF's 5th Regiment, which is normally assigned to that sector. According to the officer, if funding is received, the anticipated USD 5.0 million program could be implemented within three months. See Beirut 107. End note.)

113. (C) But, responding to the Ambassador, the Prime Minister also acknowledged that the more critical border area lay to the east, particularly the border adjacent to both Palestinian rejectionist and Hizballah areas of activity. Siniora indicated he was attempting to find an acceptable way to improve border security in accordance with UNSCR 1701 and would be ready to engage on the issue with the Secretary at Paris III. The Ambassador cautioned Siniora that this issue was high on the Secretary's agenda for her meeting with him and that he should be prepared to discuss it seriously.

SINIORA VISIT TO THE GULF AND PARIS III

- 114. (C) PM Siniora felt his just completed visit to the Gulf region had produced a good response from those he had met. But he had been perplexed by the attitude of the Kuwaitis, who in Paris II had strongly supported Lebanon with a USD 300 million package, and were being counted on to set an example for the other Gulf states. Siniora noted that, when his local hosts invited Arab and regional ambassadors to traditional ceremonies, the Syrians and Iranians pointedly stayed away, signaling their position that Siniora's cabinet was now illegitimate. Similarly, he noted, the Iranian Ambassador in Beirut will not speak to him, consistent with Hizballah's position that he is no longer PM.
- 115. (C) The Prime Minister had heard through other channels that Kuwait's leadership wanted to be assured that Siniora had obtained "Sunni solidarity" for his approach to the donors' conference, but when Siniora met with the Kuwaiti Finance Minister, this condition was never mentioned. At this point in time, Siniora hopes the Kuwaitis will come through with an adequate package. Mohamed Chatah will continue the discussions with the Kuwaiti Foreign Minister in hopes that there will be no unpleasant surprise (defined as a lack of Kuwaiti financial commitment) in Paris.
- 116. (C) Siniora expressed gratitude for the strong support of the United States and the Secretary herself for Paris III. He said he referred to that support frequently in trying to drum up contributions from others. Siniora asked for additional help from the USG regarding contributions from Kuwait, Qatar, Canada, UK, Germany, and Japan. Later in the evening, the PM called the Ambassador, to say that he had just heard from the Japanese that they would only be bringing USD 5 million to Paris, a sum that dismayed Siniora as far too low. "Please help," he asked. The Ambassador noted that, with U.S. help, the UK has upped its representation at Paris III to the ministerial level, an achievement Siniora suggested he had helped accomplish with his own interventions with the British. (While in the meeting with the Ambassador, Siniora took a call from the Malaysians, whom he encouraged to contribute.)

BEIRUT 00000108 004 OF 004

SPEAKER BERRI AND SYG AMR MOUSSA

117. (C) Concerning another power player in the Lebanese arena, PM Siniora acknowledged that Speaker Nabih Berri has been helpful with his recent statements on the need for moderation, as well as his clear support for the goals of Paris III. The Prime Minster said he would acknowledge the Speaker in coming statements and continue to encourage Berri's apparent willingness to break with standard March 8th anti-government rhetoric. Siniora said he understands that Berri constantly keeps score of both "favors rendered and favors returned" and would continue to try to engage with the

Speaker. Displaying a less accommodating attitude, Chatah wondered aloud at the large amount of attention Berri always seems to demand and expect from all concerned.

118. (C) Lastly, PM Siniora stated that the Arab League's initiative to resolve Lebanon's impasse was still in play, but due to the current position of Hizballah and other factors, the time was not right for final negotiations. Siniora said he has encouraged Arab League SYG Amr Moussa to continue his efforts and that perhaps a successful Paris III would improve the situation to the extent that another visit to Lebanon would be worthwhile.

COMMENT

119. (C) While Siniora (despite the uncharacteristic behavior of standing behind, rather than sitting in, his chair) came across as confident during this mid-day Saturday meeting, the subsequent rhetoric of the March 8-Aoun opposition had rattled him slightly by the time the Ambassador spoke with him by phone on Sunday evening: Siniora worried that the fear-mongering by pro-Syrian leaders on Sunday would result in people being afraid to go to work on Tuesday, making the general strike appear to have more support than, in fact, it will have. On Friday and Saturday, a number of Aoun supporters, expressing some concern about the direction they were being taken, reached out to the Embassy in hopes that an Aoun-Siniora meeting could be arranged. We tried to push for this (and Siniora seemed mildly intrigued), but the suggestions of a meeting came too late: by Saturday night, all chance of such a meeting had disappeared, as Aoun came out swinging in some of his harshest rhetoric yet against March 14 and the Siniora cabinet. Hassan Nasrallah must have watched the little General with great satisfaction; Nasrallah's Friday night call for early legislative elections seems to have done the trick of keeping Aoun fully on Hizballah's side. FELTMAN